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AMCONSUL CALCUTTA
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AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMEMBASSY NEW DELHI

C O N F I D E N T I A L SECTION 01 OF 04 DHAKA 02354

CINCPAC FOR FPA

E.O. 12356: DECL: OADR
TAGS: [PREL](#) [KPRP](#) [IN](#) [BG](#)
SUBJECT: BANGLADESH-INDIA RELATIONS

THIS TELEGRAM FULFILLS ONE OF THE REQUIREMENTS OF THE
POST REPORTING PLAN

[1](#)1. (CONFIDENTIAL - ENTIRE TEXT).

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[1](#)2. SUMMARY: BANGLADESH HOPES THAT RAJIV GANDHI WOULD
BE A POWERFUL FORCE IN IMPROVING BILATERAL RELATIONS
HAVE FADED OVER THE PAST YEAR. BANGLADESH AND INDIA
HAVE MADE LITTLE SUBSTANTIVE PROGRESS ON LONG-STANDING
PROBLEMS UNDER RAJIV; MANY AGAIN APPEAR INTRACTABLE
AND NEW PROBLEMS HAVE ARISEN. THE UPSURGE IN VIOLENCE
IN THE CHITTAGONG HILL TRACTS HAS BEEN A PARTICULARLY
IMPORTANT SETBACK. WHILE THE USG HAS NO INTEREST IN
GETTING INVOLVED IN BANGLADESH-INDIA PROBLEMS AND SHOULD
CONTINUE TO AVOID ANY POSITIONS ON CONTENTIOUS ISSUES,
THE IMPROVEMENT OF BILATERAL RELATIONS WOULD BE HELPFUL
IN PROMOTING REGIONAL STABILITY, A LONG-TIME U.S.
OBJECTIVE IN SOUTH ASIA. END SUMMARY.

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BANGLADESH GOVERNMENT PERCEPTIONS

[1](#)3. BANGLADESHI HOPES THAT INDIAN PRIME MINISTER RAJIV
GANDHI WOULD BE A POWERFUL FORCE IN IMPROVING RELATIONS
HAVE FADED OVER THE PAST YEAR. THERE IS A GROWING REAL-
IZATION THAT RAJIV FACES A MYRIAD OF DOMESTIC PROBLEMS,
AS WELL AS DIFFICULT RELATIONS WITH PAKISTAN AND SRI
LANKA, AND CAN DEVOTE LITTLE TIME TO BANGLADESH. IN
THE BDG VIEW, WHAT GOODWILL OR NOBLE INTENTIONS HE MAY
HAVE TOWARDS IMPROVING RELATIONS HAVE BEEN STYMIED AT
EVERY TURN BY THE INDIAN BUREAUCRACY AND BY LESS HELP-
FUL POLITICAL FIGURES. (WATER RESOURCES MINISTER
[1](#)B. SHANKARANAND REMAINS A FAVORITE BDG BLACK HAT.)
MANY BANGLADESHIS CONSIDER THAT THE INDIAN FOREIGN
POLICY BUREAUCRACY IS DOMINATED BY PEOPLE WITH AN
IMPERIOUS ATTITUDE TOWARDS INDIA'S NEIGHBORS. THEY
BELIEVE THAT WHILE ERSHAD AND RAJIV MAY PERSONALLY GET
ALONG WELL AND WANT TO RESOLVE OUTSTANDING ISSUES,
INDIAN BUREAUCRATS ARE DETERMINED TO KEEP UP THE
PRESSURE ON BANGLADESH. REPORTS THAT RAJIV CANNOT
MANAGE THESE BUREAUCRATS, AND GROWING PERCEPTIONS
THAT THE PRIME MINISTER'S POLITICAL POSITION IS
WEAKENING, ONLY COMPOUND THE FEAR AMONG MANY IN
BANGLADESH THAT RAJIV IS POWERLESS TO EFFECT CHANGE.

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[1](#)4. PRESIDENT ERSHAD'S STATE VISIT TO DELHI JULY 14-16,
1986 LED TO AN OPEN AND POSITIVE EXCHANGE OF VIEWS,
BUT MANY IN BANGLADESH VIEWED IT AS A TEST OF RAJIV'S
ABILITY TO HASTEN THE RESOLUTION OF BILATERAL PROBLEMS,
IN PARTICULAR THE TIN BIGHA LAND CASE AND THE EASTERN
WATERS PROBLEM. BY JANUARY 1987, OPTIMISM THAT PROGRESS
COULD BE MADE ON BILATERAL ISSUES HAD FADED. FOREIGN
MINISTER TIWARI FACED A LITANY OF BDG GRIEVANCES DURING
HIS JANUARY 6-8 VISIT TO DHAKA. BANGLADESH AND INDIA
HAVE MADE LITTLE PROGRESS ON LONG-STANDING PROBLEMS

UNDER RAJIV; MANY AGAIN APPEAR INTRACTABLE AND NEW PROBLEMS HAVE ARISEN. FOREIGN MINISTER CHOUDHURY, IN A MARCH 25 SPEECH BEFORE PARLIAMENT, DEVOTED NEARLY HALF OF HIS HOUR-LONG ADDRESS TO INDO-BANGLADESHI BILATERAL PROBLEMS. CHOUDHURY'S FOCUS ON INDIA REFLECTED THE BDG INTEREST IN DEMONSTRATING THE CORRECTNESS OF A STRONG STAND ON BILATERAL ISSUES AT A TIME WHEN THE BDG IS BECOMING INCREASINGLY EMBARRASSED AND FRUSTRATED BY DEVELOPMENTS IN BILATERAL RELATIONS, SUCH AS THE CHITTAGONG HILL TRACTS PROBLEM.

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BILATERAL ISSUES

15. THE FOLLOWING BILATERAL ISSUES, THE MAJORITY OF WHICH HAVE BEEN REPORTED EXTENSIVELY FROM DHAKA, FOR THE MOST PART ILLUSTRATE THE PROBLEMS WHICH HAVE BESET BANGLADESH-INDIA RELATIONS OVER THE PAST YEAR AND DIMINISHED HOPES THAT RELATIONS WOULD IMPROVE UNDER RAJIV. LITTLE PROGRESS HAS BEEN RECORDED ON LONG-STANDING POLITICAL ISSUES. AND IN ONE INSTANCE, THE CHITTAGONG HILL TRACTS, THE UPSURGE OF VIOLENCE THERE HAS CAUSED A SIGNIFICANT SETBACK.

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POLITICAL ISSUES

16. EASTERN WATERS. ALTHOUGH THE BDG WAS PLEASED THAT INDIA AGREED TO A TRILATERAL APPROACH TO AUGMENTING THE FLOW OF GANGES RIVER WATER TO BANGLADESH, SENIOR BDG OFFICIALS RECOGNIZED THAT ANY EFFORT TO RESOLVE THE EASTERN WATERS ISSUE BY BUILDING A SERIES OF DAMS IN NEPAL WAS CERTAIN TO BE FRUITLESS. IN A "SHARING" APPROACH, BANGLADESH IS NOW ASKING INDIA FOR A GUARANTEED FLOW OF 25,000 CUSECS FROM THE GANGES, LESS THAN THAT PROVIDED IN THE SHORT-TERM AGREEMENT NOW IN FORCE, BUT ABOUT EQUAL TO WHAT BANGLADESH RECEIVES IN THE LOWEST WATER MONTHS BECAUSE OF THE BURDEN-SHARING PROVISIONS OF THAT AGREEMENT. BANGLADESH ALSO WANTS A GUARANTEED 75 PERCENT OF THE FLOW OF THE BRAHMAPUTRA AND 50 PERCENT OF THE FLOW OF THE OTHER BORDER RIVERS. IF INDIA AGREES TO GUARANTEE THESE QUANTITIES OF WATER FOR BANGLADESH, THE BANGLADESH IRRIGATION MINISTER CLAIMS THE BDG WILL DROP ITS PROPOSAL FOR STORAGE DAMS IN NEPAL AND INDIA COULD THEN ABANDON THE IDEA OF A LINK CANAL FROM THE BRAHMAPUTRA TO THE GANGES ACROSS BANGLADESH. THE BDG BELIEVES THAT SUCH A SHARING AGREEMENT WITH INDIA IS POSSIBLE, BUT THE INDIAN BUREAUCRACY REMAINS OBSTRUCTIVE. IN BANGLADESH POLITICS, THE GREAT DANGER IS BEING SEEN AS "PRO-INDIAN." THUS, PRESIDENT ERSHAD IS CAUTIOUS IN DEALING WITH THE EASTERN WATERS ISSUE.

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17. CHITTAGONG HILL TRACTS. BDG OFFICIALS CLAIM THAT INDIA HAS PROVIDED ARMS, REFUGE, AND FINANCIAL SUPPORT TO THE SHANTI BAHINI INSURGENTS IN THE CHITTAGONG HILL TRACTS, THUS FUELING AN INSURGENCY WHICH HAS BECOME INCREASINGLY VIOLENT. INDIA, ON THE OTHER HAND, CLAIMS THAT BANGLADESH HAS GIVEN REFUGE TO MEMBERS OF AN INDIAN INSURGENT GROUP, THE TRIPURA NATIONAL VOLUNTEERS. INDIA AND BANGLADESH RECENTLY REACHED AN AGREEMENT THAT BANGLADESH WOULD REPATRIATE OVER 24,000 CHAKMA REFUGEES WHO FLED FROM BANGLADESH IN THE WAKE OF SHANTI BAHINI VIOLENCE. THE REPATRIATION PROGRAM WAS TO HAVE BEGUN ON JANUARY 15, BUT SHANTI BAHINI ATTACKS STOPPED THE REPATRIATION BEFORE IT BEGAN. INDIA AND BANGLADESH CONTINUE TO EXCHANGE CHARGES ABOUT WHICH COUNTRY IS RESPONSIBLE FOR THE FAILURE. FOREIGN MINISTER (#)UMAYUN RASHID CHOUDHURY IN A MARCH 25 SPEECH BEFORE PARLIAMENT SAID THAT BANGLADESH IS READY TO TAKE BACK THE REFUGEES, BUT THAT THE GOI HAS NOT RESPONDED TO BANGLADESH'S PROPOSAL TO BEGIN DISCUSSIONS BETWEEN HOME SECRETARIES ON THE REPATRIATION PROGRAM. THE CHITTAGONG HILL TRACTS ISSUE IS A PARTICULARLY SENSI-

TIVE ONE FOR BANGLADESH IN VIEW OF A SEPTEMBER 1986 AMNESTY INTERNATIONAL REPORT CHARGING WIDESPREAD HUMAN RIGHTS ABUSES IN THE HILL TRACTS BY BANGLADESH LAW ENFORCEMENT OFFICIALS.

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¶8. TIN BIGHA. THE CALCUTTA HIGH COURT RULED IN SEPTEMBER 1986 THAT THE INDIAN CONSTITUTION MUST BE AMENDED BEFORE INDIA COULD LEASE THE TIN BIGHA CORRIDOR TO BANGLADESH IN PERPETUITY. THE BANGLADESHIS HAD ASKED FOR THE TERRITORY TO BE TURNED OVER TO THEM DURING THE FIRST HALF OF 1987. RAJIV PROMISED TO DELIVER QUICKLY ON TIN BIGHA, AND HAS THUS FAR FAILED TO KEEP THAT PROMISE. THE BDG CLAIMS THE ISSUE IS A TEST OF INDIA'S SINCERITY IN IMPROVING RELATIONS OVERALL, BUT IN FACT APPEARS FAIRLY RELAXED ABOUT INDIA'S SLOWNESS.

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¶9. MARITIME BOUNDARY. FOREIGN MINISTER CHOUDHURY IN HIS MARCH 25 SPEECH HAS SAID THAT, ACCORDING TO ALL AVAILABLE INFORMATION, SOUTH TALPATTY ISLAND BELONGS TO BANGLADESH. INDIA, HOWEVER, HAS STAKED A CLAIM TO THE ISLAND. THE FOREIGN MINISTER NOTED THAT THE TWO GOVERNMENTS HAVE AGREED TO DETERMINE OWNERSHIP THROUGH A JOINT SURVEY.

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¶10. IN THE MIDST OF THESE CONTENTIOUS BILATERAL ISSUES, SOME BRIGHT SPOTS EXIST. FOR EXAMPLE:

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¶11. TRANSITION TO CIVILIAN RULE. BANGLADESH'S ELECTION PERIOD AND TRANSITION TO CIVILIAN RULE IN 1986 PASSED WITHOUT DAMAGE TO BANGLADESH-INDIA RELATIONS. INDO-BANGLADESHI RELATIONS WERE NEVER A SIGNIFICANT FACTOR IN THE PARLIAMENTARY OR PRESIDENTIAL ELECTION CAMPAIGNS. WHILE THE INDIANS MAY HAVE WANTED THE AWAMI LEAGUE TO EMERGE IN A STRONG POSITION IN PARLIAMENT, NEITHER EVIDENCE NOR ACCUSATIONS OF INDIAN INVOLVEMENT EXIST. SIMILARLY, THROUGHOUT THIS PERIOD OF THE LIFTING OF MARTIAL LAW AND THE ELECTION OF PRESIDENT ERSHAD, THERE WERE NO SERIOUS ACCUSATIONS OF EITHER INDIAN INTERVENTION IN BANGLADESH'S AFFAIRS OR PRO-INDIAN SENTIMENT ON THE PART OF BDG OFFICIALS. AWAMI LEAGUE LEADER SHEIKH HASINA'S MEETING WITH RAJIV GANDHI IN NOVEMBER 1986 CREATED A BRIEF FLURRY IN DHAKA, BUT APPEARS TO HAVE HAD NO LASTING IMPACT ON THE DOMESTIC POLITICAL SCENE.

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¶12. SAARC. ALTHOUGH THE SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC) HAS YET TO HAVE A SUBSTANTIVE ROLE IN THE REGION, INDIA HAS COOPERATED WITH ITS NEIGHBORS TO ESTABLISH SAARC. RAJIV'S SUPPORT FOR ERSHAD'S PERSONAL ROLE IN SAARC'S ESTABLISHMENT, AND THEIR USE OF THE FORUM SAARC PROVIDED FOR THE DISCUSSION OF BILATERAL ISSUES, HAVE BEEN POSITIVE FACTORS IN BANGLADESH-INDIA RELATIONS DURING THE PAST YEAR.

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¶13. ASSAM BORDER. THE ASSAM INFILTRATION ISSUE APPEARS TO HAVE SUBSIDED, AND THE INDIANS SEEM TO HAVE DROPPED PLANS TO CONSTRUCT THEIR PROVOCATIVE BORDER FENCE AS FAR AS WE ARE AWARE HERE. BUT LIKE MANY OTHER PROBLEMS IN INDO-BANGLADESH RELATIONS, THE ISSUE OF ALLEGED BANGLADESHI INFILTRATION INTO LESS HEAVILY POPULATED AREAS OF NORTHEASTERN INDIA REMAINS ONE WHICH CAN SUDDENLY BE BROUGHT AGAIN TO PROMINENCE EITHER BY A STRAY EVENT OR AS A CONSEQUENCE OF PERCEIVED DOMESTIC POLITICAL NEEDS IN THE TWO COUNTRIES.

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ECONOMIC ISSUES

¶14. TRADE. BANGLADESH'S FRUSTRATIONS OVER THE GROWING TRADE DEFICIT WITH INDIA AND INDIA'S NEGATIVE RESPONSE TO THE BDG REQUEST FOR IMPORT FINANCING HAVE HEIGHTENED BANGLADESH'S DISAPPOINTMENT AND PUBLIC SKEPTICISM ABOUT INDIAN INTENTIONS. BANGLADESH-INDIA ECONOMIC TALKS ON DECEMBER 1-2, 1986 FOCUSED PRINCIPALLY ON THE TRADE IMBALANCE, WHICH GREW TO 57 MILLION DOLLARS IN FY 1985. IN THAT YEAR, BANGLADESHI EXPORTS WERE UNUSUALLY STRONG, BUT SUCCEEDED IN COVERING ONLY 39 PERCENT OF THE IMPORTS FROM INDIA. BANGLADESHIS VOICED DISAPPOINTMENT AT THE LACK OF CONCRETE DECISIONS COMING FROM THE BILATERAL DISCUSSIONS. PROTESTS SURROUNDING THE OPENING OF AN INDIAN TRADE EXHIBITION IN DHAKA IN NOVEMBER 1986 REFLECTED THE UNDERLYING TENSION IN BANGLADESH'S COMMERCIAL RELATIONS WITH INDIA AND THE SENSITIVITY OF THIS ISSUE IN SOME POLITICAL QUARTERS.

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¶15. ACCESS. INDIAN REQUESTS FOR ACCESS THROUGH BANGLADESH TERRITORY HAVE MET WITH RESISTANCE FROM BDG AUTHORITIES. ACCESS TO ASSAM VIA INLAND WATER TRANSPORT, RAIL, AND ROAD, AND ACCESS TO THE SEA (THROUGH CHITTAGONG) FOR MIZORAM HAVE BECOME CONTENTIOUS BILATERAL ISSUES. ACCORDING TO THE MFA'S DIRECTOR GENERAL FOR SOUTH ASIAN AFFAIRS, THE BANGLADESH MILITARY FEAR BOTH THE SECURITY ASPECTS OF SUCH ACCESS AND THE "SMUGGLING" WHICH WOULD TAKE PLACE. BANGLADESH BELIEVES THERE WOULD BE A TREMENDOUS, UNCONTROLLABLE LEAKAGE OF INDIAN GOODS INTO BANGLADESH FROM RAILWAY AND ROAD TRANSIT. THE DIRECTOR ADDED THAT INDIA HAS THREATENED TO BUILD A ROAD THROUGH THE NARROW NECK OF LAND WHICH CONNECTS ASSAM TO THE REST OF INDIA. THAT WOULD "CUT BANGLADESH OUT" OF THE "BENEFITS" (TAXING POWER, FOR EXAMPLE) WHICH WOULD COME FROM ALLOWING INDIA ACCESS TO ASSAM THROUGH BANGLADESH TERRITORY. (THE DIRECTOR, HOWEVER, THINKS THE THREAT IS A BLUFF; THE ROAD WILL NEVER BE BUILT BECAUSE IT IS TOO EXPENSIVE.) MORE POSITIVELY, INDIA AND BANGLADESH AGREED TO IMPROVE LAND LINE TELEPHONIC COMMUNICATIONS TO PERMIT AUTOMATIC DIRECT DIALING BETWEEN THE TWO COUNTRIES. THE SERVICE TOOK EFFECT ON MARCH 26.

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¶16. SMUGGLING. LONG A PROBLEM BETWEEN INDIA AND BANGLADESH, SMUGGLING APPEARS TO HAVE INCREASED DRAMATICALLY OVER THE PAST YEAR, ALTHOUGH NO RELIABLE STATISTICS ARE AVAILABLE. THIS FURTHER STRAINS ECONOMIC RELATIONS. THE BDG HAS FORMED AN ANTI-SMUGGLING COMMITTEE, IN WHICH ERSHAD TAKES A PERSONAL INTEREST, TO CRACK DOWN ON ALL SMUGGLING, PARTICULARLY ACROSS THE POROUS INDIA-BANGLADESH BORDER. ON MARCH 23, 1987 THE PARLIAMENT PASSED AN AMENDMENT TO THE SPECIAL POWERS ACT ALLOWING THE DEATH PENALTY TO BE IMPOSED AGAINST SMUGGLERS. THE PRESIDENT IS LIKELY TO SIGN THE LEGISLATION LATER THIS YEAR. IN ADDITION TO TRADITIONAL SMUGGLED ITEMS SUCH AS COTTON TEXTILES, BANGLADESH OFFICIALS BELIEVE HEROIN AND OTHER ILLEGAL DRUGS ARE FINDING THEIR WAY INTO BANGLADESH FROM INDIA.

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IMPLICATIONS FOR U.S. POLICY

¶17. THE USG HAS NO INTEREST IN GETTING INVOLVED IN BANGLADESH-INDIA PROBLEMS AND SHOULD CONTINUE TO AVOID ANY POSITIONS ON CONTENTIOUS ISSUES. AT THE SAME TIME, WE RECOGNIZE THAT IMPROVEMENT OF BANGLADESH-INDIA RELATIONS WILL PROMOTE REGIONAL STABILITY, A LONG-TIME U.S. OBJECTIVE IN SOUTH ASIA. OUR ROLE MUST BE TO ENCOURAGE EACH SIDE, IN A LOW-KEY WAY, TO CONTINUE TO WORK WITH THE OTHER TO RESOLVE THE BILATERAL PROBLEMS. AND ALL MUST RECOGNIZE THAT THERE IS NO QUICK, EASY SOLUTION TO ANY OF THEM.

